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CONSUMERS' RESEARCH, Inc.

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Organized and incorporated under the laws of the State of New York as a membership corporation to provide unbiased technical information and counsel on goods bought by the ultimate consumer; not a business enterprise, not operated for profit.

This is the last General Bulletin included without additional charge in the subscription to the confidential service. Beginning with the next issue, the General Bulletin will be published as a separate quarterly. The subscription year runs October 1932-1933. The General Bulletins are not confidential and are available to anyone remitting \$1.00 (Canadian and Foreign \$1.50).

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F. J. SCHLINK
EDITOR

M. C. PHILLIPS
ASST. EDITOR
(for this issue)

WILL subscribers to CR's confidential service please note that answers to individual requests for information cannot be provided as a part of the subscription service routine. Those who subscribe only to the General Bulletin cannot, for reasons of economy, be given any service by correspondence. The necessity for economy in the administration of CR prevents special handling of individual inquiries which are not of important and general interest to subscribers. To reduce the volume of correspondence of this type, such requests will in future be answered, if at all, only at a special charge of two dollars or more, payable in advance. All subscribers who wish replies to their letters to CR are requested to furnish stamped, addressed envelope, not less than 4x9 inches, for this purpose.

To Buy or Not to Buy

EVERYONE who has read the resounding but increasingly hollow pronouncements of business leaders about the causes and remedies of the depression, must have been struck by the lack of any essential foundation or guiding principles for such opinions, evidenced, if in no other way, by their singular lack of agreement on the functions and method of working of the economic order. Mr. Farrell, the steel magnate, thinks it sufficient that prices should rise to stimulate buying and consumption. Since increased buying on a rising market follows from consumers' belief in a future shortage and a further increase of prices, to work Mr. Farrell's plan, we need, as a *Nation* editorial pointed out, only to conspire together to deceive one another into the belief that our huge surpluses of raw materials are really shortages.

Herbert Maynard Diamond, in the *Survey-Graphic* of August, 1931, provides a shrewd analysis of the essential failure of the business man to exhibit any sort of philosophy, or even of tradition, to lend stability or sensible meaning to his vacillating ideas on the values of free spending and of thrift.

"Back there in the heyday of the New Era—which was crushed to earth with the collapse of the late lamented bull market—American business was proclaiming from the housetops that everyone should spend. The New Era was affirmed to be based entirely on continued spending. Instalment sales were well-nigh apotheosized; spending-it-before-you-have-it was hailed as an act of the highest economic merit if indeed it did not rate as a demonstration of true patriotism. Mass-production, mass-spending, and mass-credit were then held out as the foundation stones of a new and depressionless industrial civilization. Even in the midst of our despair 'spend-now' campaigns are foisted upon us as one way out of the economic morass. However when the shoe goes on the other foot and unemployment compensation dimly appears as a possibility in the offing, thrift for the working classes promptly becomes that virtue which is proclaimed as desirable above all others."

A comfortably-housed and well fed professor at Harvard has suggested that everyone should save 10% of his earnings against a period of unemployment. How the individual workman is to do this when his average wage in the United States, reckoning in the loss due to unemployment, was in 1927 but \$23 a week, and when the average wage of factory employees in New York City even in the most prosperous year never exceeded \$30 a week, requires a calculation to which a professor of economics will have difficulty in giving a convincing sound. The worker who in 1929 was advised to spend and spend freely, is in 1932 informed that "if he had not spent . . . not only he, but things in general would not be in such a hell of a fix as they are."

The best present advice that can be given to consumers is, in our opinion, closely in line with that given in our bulletin 1.12c (April, 1931, 10c to subscribers to the confidential service). It may be summed up by the statement that in protecting their own interests by refusing to purchase things which they do not need and do not want, consumers will be providing the best foundation for the lasting prosperity of the greatest number. The fact that so many consumers have become sick of being continually sold new gadgets and have painfully acquired a wish to conduct their affairs without a continual stream of calls from super-salesmen or a daily orgy of aimless and needless shopping, is the price which business enterprise has paid for applying an ever-increasing and ever more unscrupulous pressure on the masses of our population—to spend without regard for their needs or resources.

A Hint for Law Makers

READERS of Consumers' Research material are already thoroughly familiar with the failure of the government—federal, state and municipal—to give information on products to consumers. Signs of consumers' dissatisfaction with the situation and its effect on legislators, who are known to be sensitive to frequently voiced demands of any kind, are appearing with increasing frequency. Few such signs have, however, come nearer a practical solution of the problem

than the mere expression of discontent. Therefore a request from a man who is himself in a position to bring about changes or enforce suggestions about ways and means is particularly noteworthy. One subscriber, a candidate for a state legislature, writes, "I . . . should like to know what obstacles, if any, would be in the way of establishing such a service by the state government as that which you provide. If such a service could be provided by a [state] Bureau of Standards what would be a rough estimate of the amount of money which the consumers of [state] would save?"

"I should appreciate an immediate reply to these questions in order to write your answers into a possible platform."

The suggested plan is one which other consumers, if they are in a position to be active in the passing of our legislation, might well use, and one which those consumers who are not actively engaged in practical politics could at least take the trouble to urge upon their representatives.

Producers Organize—Consumers Must

CONSUMERS might well take as a basis for action in their own behalf a remark of the vice-president of the National Builders' Supply Dealers Association cited in a bulletin of the organization to the effect that "organized dealers are in a position to demand rather than request justice from manufacturers and others with whom they come in business contact." A sufficiently strong organization would give ultimate consumers in general the power which such trade associations now have and which in a few cases farmers have been able to exert through their political pressure upon legislatures. The laws which discriminate against oleo-margarine in favor of butter, so that the market is practically closed to the oleo manufacturers except under irksome restrictions permitting the product to compete only with the greatest difficulty with true butter, came about, we judge, not because of any recognition of the rightness of such legislation by Congress, but because the organized power of the dairymen and the creameries lent irresistible force to their requests for economic protection.

A strong consumers' organization would be in a position to demand, as a right, and without having to resort to devious political methods, a release of the test data of the federal government in a form directly usable in purchases by ultimate consumers and to bring about the reorientation of the government's research programs so that instead of placing all the emphasis upon "producers' goods," that is, machinery and materials used by manufacturers in their operations, funds—all of which in the last analysis come from ultimate consumers—will be expended on projects and for services useful to all taxpayers. At present the particular group of taxpayers engaged in business enterprise for profit has the preferred position with governmental research agencies. Many in the government services, but unfortunately few in high administrative position, recognize the absurdity of expending the general taxpayers' funds to perform services strongly biased in the direction of favors to corporate industry. The Congressmen and Senators who establish the legal backgrounds for the government's operations, as well as the courts which interpret such backgrounds, will adjust themselves as readily to articulate demands from ultimate consumers to a share in the economic benefits of the government's operation, as they have in the past to such demands from big business.

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3.07

November 1932

CORRECTION TO GENERAL BULLETIN 2.50

P. 16, col. 2: The figure of 57c in the last item is judged to be incorrect. CR's own investigation indicates that \$2 will be much more nearly an accurate production cost for the fender.



Electric Current For Household Use

THE buying of electricity to advantage is attended by unusual difficulties. Our electric service companies have no system for determining the costs of different classes of service, so public agencies, even when aggressive and well-intentioned, experience immense difficulties in ascertaining even an approximate cost for any one feature of electric service. After fifty years of domestic electric service no one in or out of the companies even claims to know costs as they are regularly established in the making of commodities like shoes, clothes or matches.

The electricity business is not competitive in the usual sense. The electrical industry nationally is so organized as to present a united, effective and plausible front to the public and to the individual consumer—especially to the small-scale consumer. Through vociferous propaganda in school and press and elsewhere it beguiles the ratepayers with distorted and “phony” facts. Its educational campaign, paid for out of ratepayers’ checks and designed to enlist the confidence of customers and customer owners, is based almost entirely on statements which either are not true or have no bearing on the situation. Rate schedules are as a rule confusing and sometimes impossible for the layman to understand. Rates themselves practically always range considerably above the levels suggested by the standard of cost of service plus a fair profit.

Companies purveying electricity are quasi-public in character and are therefore in most of the states subject to regulation by the Public Service Commission as to rates and service. Rates, however, are invariably set in the first instance by the private companies. The Public Service Commission only “regulates” any given rate when specially requested to do so—and not always then. Contrary to common sense and the general understanding, Commissions almost never act on their own initiative in rate regulation. For the justice of a given rate or tariff to be investigated, a complaint must first be filed with the Commission. When the Commission receives a complaint it often sends it to the company providing the service, with the request for a report and, if possible, an adjustment satisfactory to the aggrieved ratepayer.

When adequate redress is not forthcoming, adjustment of the matter under Commission authority can usually only be brought about through filing by the ratepayer of a formal complaint. It is a curious fact that a lawyer to prosecute the case before the Commission on behalf of the complainant is generally as necessary as for any other action at law. This process of obtaining a decision as to the justice of a complaint is usually quite expensive and individual householders are rarely warranted in making the necessary outlay.

Where it proves impossible to get the Commission to act on its own initiative and motion, the proceedings should preferably be initiated by the City Attorney or otherwise through the collective action of interested civic groups. The consumer is therefore usually better advised to agitate for group action than to press an individual complaint. The expenses incurred by a company in contesting a rate case should be a charge against surplus. Where a company is allowed to charge such expenses to operation they frequently provide an offset to the desired reduction in rates.

Electric rate schedules vary largely as to form. A very common practice is a flat rate (varying from 4c to 28c¹ per kilowatt hour²) irrespective of the quan-

tity used within the billing period. “Step” rates, which are gradually superseding flat rates, provide one rate for the first few kwh (usually from five to fifteen) and a somewhat lower rate for the balance. The rate charged for the first few kwh in a step-rate schedule is higher than for the balance in order to include the “demand charge” which is an amount to cover such expense items as the capital charges on the customer’s service line and meter, and the monthly reading of the meter, outlays which are made by the company even when no current is used. This initial or minimum charge varies from 35c to \$1, and even higher, according to location, character of construction of lines and amount of current included in the first step.

Frequently there are two or more steps in a rate schedule, the rate falling with each step. When the rate for the last step is quite low as compared with those which precede it, the rate is said to be promotional, i. e. one intended to encourage a generous and therefore more profitable use of electricity.³

The whole cost of domestic electric service includes two major items: first, the cost of the “transmitted current” or electricity as it reaches the distribution substation; and second, the cost of putting the current through this substation and the distribution system which lies between it and the customer’s meter. About the cost of “transmitted current” there is a great deal of information. Some of it is afforded by contracts between private companies and municipalities. About the cost of transmitted current there is little room for debate. As in averages and in round numbers it amounts, including profit, to about 1½c—usually less—per kwh, it is not a controlling factor in domestic rates which range from three to nearly twenty times the cost of the current at the substation.

But as to the items of substation and distribution costs there are no generally recognized standards. On the average, however, it is hardly likely that these capital and operating charges including profit exceed 2½c per kwh and under reasonable management and the conditions normally encountered they may average not over 1½ to 2c per kwh. These assumptions give a whole average cost for domestic service ranging from 3 to 4c per kwh as contrasted with the present national average of 6c. Under these calculations an annual overcharge against small consumers (including commercial consumers) of something approximating 400 to 500 million dollars a year is indicated. The average annual charge to domestic consumers in 1931 was \$33.70 of which certainly \$12 was unwarranted. It should be borne in mind that these averages are the result of widely varying rates and monthly bills. On the one hand we have a small percentage of customers using a large quantity of electricity and securing it at fairly reasonable rates. At the other extreme we have a much more numerous “group” of customers who use electricity sparingly and pay a price greatly in excess of the cost. For most communities 5c per kwh would be an adequate top rate, and for many localities this figure has been judicially determined. In sparsely-settled rural areas where the farms run three to four to the mile or less, or for certain classes of seasonal service or where a low economic level induces a smaller average use of current, 1 to 3c per kwh may have to be added to cover cost and a fair profit.

The restricted use of electricity which invariably

¹Summer rates for Sconset on Nantucket Island.

²The kilowatt hour, the universal unit for measuring electricity, is one thousand watts of energy operating through one hour. It is for instance the amount of energy consumed in a 25-watt bulb burning for forty hours ($25 \times 40 = 1,000$).

³Some public utility commissions have provided alternative rate schedules which result in material savings to consumers, and in some districts electricity for domestic power and heating uses is supplied at a lower rate than that for light. Be sure you are being charged according to the schedule which is most advantageous to you. [Editors]

accompanies high rates represents a tremendous social loss. The present national average annual use is about 550 kwh per customer. Through lower rates it would be easy to boost this to 1,200 kwh and have the companies just as prosperous as they are today. The average annual use in Winnipeg, Canada, is over 4,000 kwh.

That the foregoing constitutes a fair statement as to what rates ought to be is strongly indicated by the following table of current charges for domestic service for five different monthly consumptions as made by seven different companies—four public and three private—one of these located in Canada and the other six in the United States:

	20 kwh	35 kwh	60 kwh	150 kwh	250 kwh
Jamestown—Public (Pop. 45,000) (s)	\$0.70	\$1.23	\$2.05	\$4.38	\$6.63
Buffalo—Private (Pop. 572,000) (s & w)	.95	1.55	2.18	4.29	6.81
Los Angeles—Public (Pop. 1,232,000) (w)	.96	1.68	2.31	4.56	6.68
Seattle—Public (Pop. 362,000) (w)	1.10	1.93	2.60	4.40	6.30
Kansas City, Kan.—Public (Pop. 122,000) (s)	1.20	1.50	2.00	3.80	5.80
Washington—Private (Pop. 600,000) (s)	.78	1.37	2.33	3.05	5.94
Montreal—Private (Pop. 1,256,000) (w)	.75	1.20	1.95	4.65	6.90
Average	\$0.92	\$1.49	\$2.20	\$4.16	\$6.44
Average per kwh	4.6c	4.2c	3.7c	2.7c	2.6c
(s) Steam.					
(w) Waterpower.					

[Additional comment by the Editors, for which Mr. Cooke is in no way responsible.]

Utilities' Influence and Propaganda

For information about the cost to the consumer of private ownership of public utilities, see the publications of the Public Ownership League of America, 127 N. Dearborn Street, Chicago, and of the towns and cities having municipally owned plants. If you wish to know the truth about this question of public vs. private ownership of natural monopolies, avoid putting too great a trust in information supplied by any body which might in any way derive its income from central station (electric light and power) interests, otherwise known as "The Power Trust," or professional society or trade journals supported by that industry through advertising and other latent subsidies. In cases where municipal systems have been set up alongside and in competition with privately owned utilities, resulting rate reductions conceded by the private companies have been enormous.

As the studies of the Federal Trade Commission have shown (Senate Document 92 in 30 parts and 24 exhibits, Supt. of Docs., \$17.95) the extent of private ownership propaganda is enormous, and its ways devious and frequently clandestine. A favorite method of defeating its opponents has been, in the words of one of its own executives, "to pin the Bolshevik label on them." Another effective method has been in scores of secret subsidies to university professors, including many of the most eminent, and to women's club leaders, hired for speechmaking tours and for the writing of "articles" for women's magazines.

Well known authors and "independent" consulting engineers have been used in the same way. "Editorial services" were hired to write "sound," anti-public-ownership editorials for rural and small town newspapers, all "free of charge," and paid for out of exorbitant rates per kwh paid by the editors and readers of the papers. For two excellent presentations, in brief form, of the Federal Trade Commission's report of power propaganda, see *Power Ethics* by Jack Levin, New York, Alfred A. Knopf, 1931, \$2, and *The Public Pays* by Ernest Gruening, New York, Vanguard Press, 1931, \$2.50. As an individual consumer, it will pay you cash dividends to know more about the habits and manners of your central station company and its fellows.

These plants have been operating for many years and are generally recognized as being in a wholly prosperous condition. As they are both widely separated geographically and have developed their rate policies each quite independently of the others it seems unlikely that the marked similarity in charges for the various consumptions is accidental. On the contrary it seems wholly likely that the marked similarity in these particular rates results from the fact that in each case the long-run effort has been to base rates on actual cost plus a reasonable margin for profit. In the case of the publicly owned systems this margin over cost is used for retirement of bonds, etc., and for further capital extensions. As a public plant is thus paid for out of profits, lower rates become possible. Frequently a public plant will turn over a part or all of its surplus to the city treasury for general municipal purposes. Over sixty towns in the United States are reported as tax-less because of the earnings of their publicly owned electric plants.

Perhaps the most effective way of ensuring fair domestic electric rates is to remove every legal obstacle to construction and operation of a publicly owned plant when such operation is voted by the people. In those States where such obstacles do not exist the level of rates is noticeably lower than in States where through the activities of the private companies laws forbidding public or taxpayer-owned plants are on the statute books.

As a final word it is suggested that you take your next monthly electricity bill and compare the charges with those shown in the above table. If your charge is much higher, send a complaint to your Public Service Commission. A much more promising step would be to get some organization of which you are a member to make a collective complaint. If enough organizations can be led to take an interest, your City Attorney might be glad to represent you before the Public Service Commission.

MORRIS LLEWELLYN COOKE,

Many consumers erroneously suppose that public utilities which supply electric current, gas, and street car and bus transportation, are publicly owned. Many use such names as "Public Service Company of _____," "People's Gas Company," etc., which are adopted to give this impression. Rates charged by "public utilities" are essentially monopoly charges. The nominal and usually ineffective control exerted by public utility commissions and like agencies, is based upon the assumption that in being granted a monopoly of the water supply, gas, electric, or transportation business of a district, the corporation should yield up to the state certain powers guaranteeing availability of the service to all on equal terms and limiting the amounts charged for service, to such as will keep earnings down to a "reasonable return on investment." The courts, to which utilities habitually resort in cases of a decision financially unfavorable to them on the part of local utility commissions (theoretically, agencies taking the public's side in control of rates, rules governing service, etc.), have, however, taken diverse and confusing positions on the latter point, and the very principle of public rate regulation is now more seriously jeopardized and weakened than at any time since the beginning of the industry.

Charges Based on What Traffic Will Bear

Electric current has been charged for, on the American system, under the law applying to most commodities, namely, what the people in a given community will bear. Industries will "bear" less, partly because they can and often do set up their own power plants in competition with the central station; hence they always get rates far lower than the true difference in cost between domestic and wholesale distribution of electricity would warrant, and the household consumer pays through much higher rates for what the manufacturer and merchant save in their use of electricity. The problem has been greatly confused by the mistaken public belief that the existence of public utility commissions has removed electricity rates (which are set by a monopoly supposedly yielding up certain controls to the state in return for its monopoly privileges) from the category of things whose price is based upon what the traffic will bear. The exceedingly low rates in west coast hydro-electric areas are not a reflection of lower production costs, since electricity production costs on either a steam or hydro-electric basis are very close, but represent a lower willingness of the public to bear high charges where the source of energy looks like a gift of nature.

Using CR Material in College and High School Classes

THE experience gained by Mr. Dewey H. Palmer, of CR's staff, in using CR material in the classes on consumer problems at the University of Tennessee this summer, enables us to offer some suggestions to those teachers who have asked in the past to be allowed to use our bulletins and Handbooks with classes, and to those who may wish to use them in the future.

Most students are hard-pressed for funds at the present time and are undoubtedly justified in not wishing to spend their limited allowances for expensive and soon-forgotten reference material. However, it still remains impossible for CR to give college and high school teachers permission to make direct reference to the recommendations and discussions in the confidential Handbooks and bulletins, unless there be a degree of formal cooperation from their students. On the other hand, we recognize that any attempt to teach a course in consumption without dealing frankly and factually with specific products and trade brand articles, results in the very situation that has brought so much justified criticism of college teaching in the past. Dealing only in generalities and theorizing remotely about the consumer's dilemma and other economic problems, offer little satisfaction to those who are sensitive to the present ills of society, and wish, however modestly, to redress them in some degree. Good educational practice certainly demands that at least some practical and immediate steps be suggested for adjusting the most glaring injustices in our chaotic economic and social order; if the teaching is to have any lasting effect, students should be encouraged to follow up their discussions of economic problems by some personal and practical action. In what better way can this be accomplished in classes on consumption than by offering students concrete facts about goods by brand and trade name? Our own limited experience indicates that students are quick to realize their hitherto almost complete ignorance of the essential qualities of the most familiar products and readily change their buying habits, once sound and reliable information about products is made available to them.

In order to make it possible for teachers to discuss problems in consumption from the standpoint of the relative value of goods (and certain services) as determined by unbiased and scientific data, CR offers the following proposal:

That all students in a given class in consumption economics, or in sociology sign the confidential agreement and pay \$1 for a limited amount of CR material specially selected for its utility for students' reference purposes. For classes opening in the Fall, the material will consist of Handbooks, Vol. VI, Part 1 (Food, Medicine and Hygiene, Cosmetics); Vol. VII, Part 1 (Radio Sets and Musical Instruments, Household Supplies, Appliances, Utensils and Miscellaneous Instruments); Vol. VII, Part 2 (Heating and Ventilating, Lighting, Fire Extinguishers, Building Materials); and the Introduction to Consumers' Research.

In order to give this number of issues for the charge mentioned, it will be necessary for the teacher to send in the complete order for the whole class at one time, so permitting us to avoid the payment of extra postage. When every student in a class has signed the confidential agreement, it becomes possible for the instructor to discuss in class any of the test data and information given in any of the bulletins issued by CR. The discussions within that group then can be made entirely open and free from the limitations otherwise existing on the use of specific trade brand names that have been

dealt with by CR. Teachers, however, should use due care not to overstate or overgeneralize from the reference material provided; we have found that one of CR's greatest safeguards lies in the accuracy and care used in preparing the statements transmitted to subscribers, in the light of the best knowledge available at any given time.

The courses that have been conducted on the above basis (all students in the consumer-problems classes at the University of Tennessee subscribed to Consumers' Research on the \$2 basis) seemed to meet the students' interests and needs very satisfactorily. No students complained about not having received their money's worth—in fact, many students volunteered the information that they were saving or expected to save many times the amount they had invested. The amount of interest and discussion it is possible to stir up over such commonplace things as soap, face cream, tooth paste, can openers, etc., with respect to relative price, quality, and the reliability of advertised claims, is astounding to one who is unfamiliar with the inside story of these products as revealed by scientific and technical tests.

An Economist's Opinion of Advertising

THERE are in print many discussions of advertising from the standpoint of experts in economic theory (we mean honest academic economists, not professors-in-waiting in the schools of business and marketing). Some of these critiques will be referred to from time to time in this bulletin. Naturally, most of the claims made for advertising by those interested in its wider use at higher and higher pressure are put forward by men-of-vision, go-getting he-men, whose knowledge of its actual relationships to the economic order is a good deal less than rudimentary.

Vaughan in his book "Marketing and Advertising," the only book of substantial economic nature dealing at full length with the subject, says:

As already indicated, selling at prices above the general price level of competing products, especially of those which are not well known, is the ultimate object of most advertisers. It [advertising] is the tool for exploiting the consumer's surplus. . . .

If truth means accuracy of detail, no misrepresentation of relative values, no undue enticement of the individual, no misleading implications, then there is little truth in advertising. . . . Is the big, round, red, juicy tomato the only kind found in tomato soups? . . . None of the finer and more reputable advertisements—the kind to which advertising agents and managers point with pride—are truthful, strictly speaking, because they contain an appreciable element of exaggeration, misplaced emphasis, or misrepresentation. . . .

Magazines, newspapers, . . . Those whose very financial existence depends upon advertising are not likely to lead the attack upon it. . . . To bite the hand that feeds would be not only ingratitude but business suicide. [Italics ours—CR.]

No more perfect illustration of the dependency of news handling by newspapers, upon the interests of those who directly pay the advertising bills could be found than the treatment of the recent issues of the sales tax by the metropolitan newspapers. The sales tax naturally is preferred by business men to the greatly increased income taxes which must otherwise be applied, since the application of a general sales tax will mainly be diffused among persons of low income, while the income tax, because of its rising percentages at higher incomes, will strike heavily at the very persons whose incomes are largest and who, by the same token, control the advertising expenditures of all large

corporations, and in this way the major part of the income of newspapers and all popular magazines. The *New York Times*, whose news handling is ordinarily characterized by no worse fault than omission of important items or a twisting of emphasis, in the sales tax issue fairly outdid itself in fighting the battles of business and advertising interests. Editorial comment and emotional prejudgments spread from the editorial page into discussion of the sales tax in the news columns, and in close fellowship with the policy of the Hearst journals, the imposition of sales taxation (instead of high income and estate taxes) was painted as the one proper and statesmanlike method for Congress to follow in the very urgently required (all of a sudden!) balancing of the budget. A metropolitan newspaper publisher is usually a rich man; small city publishers too find their natural allies and friends among the bankers, real estate brokers, factory owners, and promoters, and they but serve their own business advantage and that of their friends when, as in the sales tax case, they take the side of the *haves* against the *have-nots*.

Significant Data on Branded Goods in Senate Hearings

EVERY subscriber interested in the trend of prices for trade-brand, as compared with staple (non-branded) goods during the present depression, should apply at once to Mr. John Carson, Clerk of the Senate Committee on Interstate Commerce, at the Senate Office Building, Washington, D. C., for a copy of Part 2 of the Hearings before the Senate Committee on Interstate Commerce (February 29, March 1, 2, 1932). Some startling contrasts in prices and price trends are shown in a series of presentations set forth in an interesting way in this document. For instance, in one table 60% higher costs of branded over equivalent unbranded products are shown; a chart shows that while consumers' (dollar) income has fallen over 30% and the prices of finished commodities at wholesale have declined 20%, a wide range of nationally branded drug, toilet, textile, grocery and food items fell in price but 6% on the average, since 1927¹.

It is the custom of many manufacturers, when they wish to avoid the ill-will engendered by raising the price of a packaged product, to reduce the quantity in the package without notice to consumers or even to dealers. Various cases of this type are shown in the Hearings. There are several cases (such as *Campbell's* soup, *Lucky Strike*, *Old Gold* and *Chesterfield* cigarettes, and *Arrow* collars) where prices (at wholesale) actually rose by a substantial amount on a declining market of both labor and raw material. Such a rise of price by reduction of quantity is possible only because of the nullification of the so-called "law of sup-

ply and demand" by the power of continuous and costly advertising—all duly paid for, with profits and commissions added, by the ultimate consumer. Continuous and skillful advertising provides an assured and workable means for taxing effective income away from consumers and distributing it among manufacturers who advertise, and newspaper and magazine publishers whose income comes preponderantly from such advertising.

This matter of the price rigidity of trade-brand commodities has already been briefly discussed in confidential bulletin 1.12c (10c to subscribers to the confidential service) under the head "Trade Marked Articles Held Back in General Lowering of Price Level."

Economists and others interested in the shifting by the national brand system of the distribution of effective purchasing power among various classes of society, will find this discussed in two papers prepared by CR and included in the Hearings referred to above, entitled, "Trade-Marked Goods Resist Price Decline in General Fall of Price Level" and "A Note on the Proposal to Legalize by Act of Congress the Fixing of Resale Prices by Manufacturers." In the event that copies of the Hearings should be no longer available, these two papers in mimeographed form may be obtained from Consumers' Research at a charge of 20c plus 6c postage, order for same to be accompanied by 4 x 9 in. ready-addressed envelope.

The State—She Stoops to Conquer

IN a recent issue of *Domestic Commerce*, a government periodical printed at public cost as a special service to business men, the Department of Commerce published an article entitled, "Suggestions Offered for Soliciting Business of June Graduates." The article reviewed various high-pressure ways in which merchants might hope to persuade the members of high school graduating classes to buy their wares. By one method, one or two leaders in the class were used to act as bellwethers to lead student groups to buy clothes from a particular merchant. Another way, the direct-mail, required a list of the seniors' names and addresses. If this list could not be got by fair means, the Department of Commerce implied, it could be got by foul. "A plan for getting a list of the names of seniors, reported as successful by one merchant," said the article, "is to enlist the aid of a newspaper reporter to get a list . . . where school authorities will not furnish" it. The advertising manager of the school paper is also suggested (for obvious and purely economic reasons, he is but weakly armored against the appeal of a merchant for a special list of names that might be refused by the school authorities themselves). Thus is our great government spending the taxpayers' money to teach a small but energetic minority of business men how to conquer the nation's students (and through them a large number of taxpayers) in most unequal economic encounter (the Bureaucrats versus Rockford High School—with everything stacked against the Rockford boys!). Indeed we see more than that. We see Washington telling private citizens how to overreach the efforts of our public schools, also paid for by taxation, to protect their young charges from shameless commercial exploitation! Business gets what it wants through government in America. The federal bureau chiefs work by politer methods than grafting Tammany politicians, but the results come out very much the same—in New York, Chicago, or in the District of Columbia.

¹ On just how large a scale income is in effect "redistributed" to the disadvantage of consumers through the superior control over the market by manufacturers, as against consumers and workers, is indicated in the following quotation from an article by Prof. Sumner H. Slichter in the *Atlantic Monthly*, August, 1931: "Although the depression of 1930 has been described by authorities as the worst in a hundred years, dividend disbursements of American corporations during 1930 set a new high record, being \$355,000,000 above 1929 and \$1,505,000,000 above 1928, an increase of 65 per cent in two years; but wages in manufacturing fell in 1930 to \$2,146,000,000 below 1929, a drop of 19 per cent. Factory wages were thus below any year since 1922, although dividend payments of manufacturers in 1930 were more than double those of 1923." A recent news letter of the First National Bank of Boston shows that whereas in the depression of a decade ago it was the corporation that was hit, in this depression it is the average consumer who is bearing the brunt of reduced buying power: a further indication of the transfer of the economic burden from the shoulders of manufacturers to those of consumers, while economic security has moved in the opposite direction.

Manufacturer of Poisonous Depilatory Now Bankrupt

ON the basis of information from the American Medical Association, CR warned its subscribers in the April 1931 confidential bulletin against the dangers in the use of the depilatory cream, *Koremlu*. Brief comment appeared also in the October 1931 Handbook.

The following item from the bankruptcy column of the New York Times for July 18, 1932, will interest those who may have wondered how much practical weight they should give to such a technical criticism of a cosmetic product.

KOREMLU, INC., manufacturing depilatories, 11 W. 42d St.—Liabilities, \$2,488,745; assets, \$5. The liabilities consist mainly of unliquidated claims for damages instituted by purchasers of the product manufactured by the corporation alleging harmful effects from its use.

Space does not permit full discussion of the remainder of the story of *Koremlu* subsequent to our earlier announcement, but it is reported that heavy claims for damages now lie against leading department stores which sold the cream. In New York City the poisonous product, sold at \$5 and \$10 a jar, was carried by the finest and most exclusive firms, but the high prices charged and the probable large profit margin evidently prevented their examining too closely into the dangerous potentialities of this poisonous cosmetic. Apparently neither department store executives nor their aides read the technical journals in which the product was freely discussed; even one of the cosmetic trade journals carried a warning against using the deadly thallium acetate as a depilatory. Advertisements which claimed that the product might be used with safety were carried by *Vogue*, *Liberty*, and the *International-Cosmopolitan*.

We have a report to the effect that a new company, which for a time operated from the same address and with the same telephone number as that formerly given for *Koremlu*, is offering a new depilatory called *Croxon Cream*; telephone information from the Croxon Co. was to the effect that this new depilatory has been approved by a leading New York hospital (the Postgraduate Hospital).¹ We hope to be able at an early date to report an analysis of this new depilatory, the advertising of which describes it in terms very similar to those used in the advertising of *Koremlu*. *Vogue* and the *International-Cosmopolitan* are among the journals carrying the new product's advertising.

Who Says Patent Medicine Days Are Over?

READERS will recall the reference in our first General or non-confidential Bulletin to the failure in the public regulation of proprietary drug products reported by the American Medical Association in connection with *Vapex*. Public announcement has recently been made by the Department of Agriculture, indicating that there has finally been brought to a conclusion in the courts a case against this mislabeled product, which carried on its package no declaration of the presence or amount of alcohol, as required by the national Food and Drugs Act.

¹This is evidently misrepresentation of the work done by Dr. Killian, Director of the Dept. of Biochemistry of the New York Postgraduate Medical School and Hospital, who had analyzed the product for the manufacturer of *Croxon*. Dr. Killian's other activities include French-translation-button-punching tests for *Wrigley's Chewing Gum*, and his participation in the work of science with a capital S to aid in the sale of *Scot Tissue* toilet paper.

Two regulatory departments of the federal government are involved in the case of another patent medicine. The one is the Treasury Dept., through the Commissioner of Internal Revenue's administration of the Harrison Narcotic Act, which forbids the sale to consumers and the use of the mails in such sale of narcotics or remedies containing narcotics. The other is the Food and Drug Administration of the Dept. of Agriculture, which is empowered to proceed against mislabeled drugs. For the most part, patent medicines containing cocaine have disappeared from the American market. A notable exception has persisted despite the powers of the federal government—*Tucker's Asthma Specific*—which still appears to be widely sold on a mail order basis. The American Medical Association has at various times called attention to the fact that its sale obviously violated federal laws—by its content of three grains cocaine above the amount legally tolerated in any patent medicine. When the Commissioner of Internal Revenue was asked, a few years ago, how this preparation, labeled as containing 5 grains of cocaine to the fluid ounce could legally be sent through the United States mails to anyone who ordered it, the reply came that while it was true that the patent medicine was labeled in this way, the facts were that most of the cocaine was hydrolyzed [chemically modified] before it reached the public; therefore there was either no cocaine in the remedy or but a very small quantity. If this claim of the Treasury Department's officer were true, then clearly the labeling was false and the product misbranded under the Food and Drugs Act administered by the Department of Agriculture; besides, the sale of the remedy would still violate the Harrison Narcotic Act, for that law (upon the admission of the Commissioner of Internal Revenue) applies to *derivatives* of cocaine which are present, as well as to cocaine itself. "The tender consideration shown by the federal authorities for this Ohio nostrum is a cause for wonder," comments the *Journal* of the American Medical Association.

Trichophytosis—"Athlete's Foot" to Advertisers

RINGWORM of the feet has recently become so prevalent as to be a public health problem. Known by as many as twelve different names (athlete's foot, trench foot, toe itch, trichophytosis, etc.), its occurrence has increased probably 400% since the world war. The estimated frequency ranges from 90% among male college students indulging in athletics to 50% of the general adult population. The apparent spread may be due partly to the fact that the malady is no longer diagnosed as eczema, and to increased use of public swimming pools, showers and bath houses.

The disease is caused by a fungus (an organism resembling bread mold) which gets deep under the skin and is very hard to kill. This parasite can live on silk, cotton, leather or wood, resists drying for a long time, and is killed by boiling only after 15 minutes. If conditions are unfavorable to its growth, it may form spores (a resting stage of the organism in which it protects itself by a thick and resistant wall). It may live on golf clubs, door knobs, subway straps, towels, bath mats, and floors of pools, shower rooms, etc., and be spread by contact with them. Food has no connection with the disease, and acidosis and lack of orange juice in the diet are not to be blamed.

As indicated by its name the disease usually attacks the feet, although it may occur either on the arms or legs, generally below the elbows or knees. The feet when overheated may be predisposed to an attack of

ringworm or a condition already existing may be aggravated. The commonest form of the disease is that in which there is a slight peeling of skin between the toes or about the nails. There may or may not be itching. The peeling skin may become thick and moist. Another common type is that in which small or large blisters are found; inflammation and discharge may occur. In any form, itching is frequently intense. From 1 to 3% of cases are so severe as to be disabling, and in some cases disability has extended over three months.

Many simple precautions for avoidance of ringworm may be observed. Wash the feet daily with hot water and soap and dry thoroughly, using a clean, individual towel. Wear slippers, even at home. Wear slippers at the pool or beach. If you think you may have been in contact with the fungus, paint the surface with weak ($\frac{1}{4}$ strength) tincture of iodine or wash with a 15% solution of sodium thiosulphate (photographers' "hypo"). In public pools or shower rooms, the floors, diving boards, rubber mats, etc., should be scrubbed daily with hot water and soap, and then flushed with one of the following solutions: 0.5% sodium hypochlorite; 20% sodium thiosulphate (higher concentration here allows for dilution by water from bathers' feet); 1:1000 bichloride of mercury. A tub containing either 15% sodium thiosulphate or 0.5% sodium hypochlorite solution should be provided as a foot bath between each two showers. Towels should be sterilized by boiling for 15 minutes or more, or by dipping in formaldehyde or sodium hypochlorite solution, and then thoroughly rinsing in clear water to reduce deterioration of the fabric.

The number of names applied to the disease is exceeded only by the number of remedies which have been used. During the past 2 years, 26 different agents have been studied but no specific cure has as yet been discovered, and no serum has been found to combat it. Salicylic acid, thymol, saturated boric acid, potassium permanganate and tincture of iodine are some of the agents which have been reported as giving good results. Whitfield's ointment is the remedy most generally accepted by physicians (see col. 32, CR Handbook Vol. 6, Part 1, October 1931; 35c to subscribers to the Confidential Service). The eruption should be treated immediately upon occurrence to prevent its spread. Salt water and moderate exposure to sunshine at the sea shore have in some cases led to rapid recovery. Except in mild cases self medication is not advisable since the organism is far under the skin and is quite resistant. Proprietary drugs of secret composition (*Absorbine Jr.*, *Moone's Emerald Oil*, *W. F.*, etc.) should not be used. Combinations of treatments may be dangerous. Towels, stockings or other objects which come in contact with the skin should be disinfected by rinsing in a dilute solution of chlorinated lime or formaldehyde. Shoes should be disinfected by pouring a small amount of diluted formalin solution in each shoe and allowing it to wet all of the inside surface of the shoe; or by wiping out the shoes with a cloth wet with formaldehyde or with 2% alcoholic solution of thymol; or by placing a small glass casserole cup of formaldehyde solution in the toe of each shoe and allowing them to stand for 12 hours. In any case, the shoes should be thoroughly dried and aired before being worn again. Treatment of the site of eruption and disinfection of clothing and towels should be continued for some time after disappearance of visible irritation. Guard against reinfection; successful recovery from one attack does not prevent subsequent ones, and apparent recovery may only indicate that the organism has formed spores and will later develop with reappearance of the eruption.

SOPHIE L. PLECHNER, Ph.D.

Sad But Dependable News for the Bald

VARIOUS remedies for the restoration of falling or fallen hair antedate even advertising's modern discovery that a bald man cannot be popular. The remedies have ranged anywhere from New Thought and the discarding of hats to elaborate apparatus for irradiation with ultra-violet light. From authoritative medical advice, Consumers' Research understands that no theory regarding the causes of baldness has received acceptance by scientists competent to hold opinions of substantial weight on the subject, nor has any sure remedy for the affliction been found. Our adviser adduces as his personal belief that none of the so-called institutes for the prevention or treatment of baldness has any significant merit. Those that are operated on a home treatment or correspondence-cure basis are necessarily unscientific, for they cannot in the nature of the case be in a position to know what any particular scalp needs. Those that operate on a beauty-parlor basis are probably almost as unscientific, since the average beauty "specialist" is not trained to diagnose the conditions found nor to discriminate between treatments, even if correct diagnosis were made. Even the most expert dermatologists who have spent decades in the study of hair and skin troubles regard the present possibilities in prevention and treatment of baldness as far from encouraging.

A book which might profitably be read by anyone who is interested in this subject or in cosmetics in general, and who is not willing to entrust his hair or skin treatment problems to quacks, is *The Care of the Skin and Hair*, by William Allen Pusey, published by D. Appleton & Co. A leaflet well worth reading, *Cosmetic Nostrums and Allied Preparations*, which gives information about a number of well-known hair preparations, may be secured for 15c from the Bureau of Investigation of the Journal of the American Medical Association, 535 N. Dearborn St., Chicago.

Silk Stocking Project

CONSUMERS' RESEARCH, realizing that the purchase of stockings is an important charge in the expenditures of most women, and that silk is economically the most important material, is planning a research project on silk stockings. Preliminary investigation of the subject shows that little of a character useful for outlining tests in the consumer's interest is known in or out of the silk stocking trade. We shall be grateful for the advice of anyone who can speak with special knowledge of this subject; we shall likewise be grateful to all who will write in and express in as definite and objective terms as possible what they particularly require in a stocking, in the order of the importance which they assign to the various qualities; unfortunately, we cannot promise answers to letters received from subscribers on the subject. In each case it will be of value if the person writing will indicate the approximate amount which she spends a year in the purchase of stockings (excluding stockings for sport wear) and whether silk exclusively is purchased or some rayon or rayon mixtures are used. Home economists specializing in clothing with whom CR is in touch, seem to have little more information on the subject than the average intelligent consumer; we write this note in the hope of getting into touch with persons who may be specially interested in tests of and requirements for silk stockings for women. The more, and the more factual, the information obtained in this way, the more productive of useful results will be the test plans which we hope shortly to carry out.

Buying Marked-Down Radio Sets

DEPARTMENT stores, music shops, sporting goods and radio stores are today featuring radio sets sold at drastic reductions from the original list prices. These receivers include all popular models, from console to midget. The reductions are rarely less than fifty per cent, and, with intelligent purchasing, represent real bargains. The majority of these sets are available at extremely low prices through no circumstances attributable to intrinsic inferiority. It is inevitable, however, that they should be placed on sale with unsuccessful models of a categorically defective nature, and only intelligent buying can discriminate between the genuine bargain and the "kluck."

If you have a friend who is reasonably expert in radio, his assistance will be invaluable as an interpreter of technical excellence in terms of dollars and cents—a most important relationship usually obfuscated by the salesman's ballyhoo. However, the layman himself can make an intelligent selection of a radio receiver, common sense being an adequate substitute for technical appraisal. You are primarily interested in seven points: *price, appearance, tone, service, fidelity, selectivity and sensitivity*. You, yourself, are as well able to pass on the first four considerations as a qualified engineer. Tone is largely a matter of personal taste. However, it will be wise to compare the quality of the receiver in which you are interested with one of the higher priced receivers recommended by Consumers' Research. Insist that this comparison be made. The volume should be set at the intensity to which you will generally listen, and then at a very low volume such as might be used as a background to bridge or a not too good book. If the receiver is equipped with tone control, note the variations effected by it. Remember you are the final arbiter on the question of tone quality. Pay no attention to what the salesman has to say on this subject.

The fact that a receiver may have been discontinued has little effect on service. Standard parts are available to the serviceman which can be used for replacement purposes on practically any receiver. However, the vintage of the set is an important consideration in estimating how soon servicing may be required. A receiver that has been on the shelves for a year is more likely to develop trouble in the near future than one which has just come off the production line. On general principles, do not purchase a model more than one year out of date. Not that receiver design has progressed materially in that time, but successful models usually reach the consumer, even through the marked-down channel, in less than a year. The serial number and the manufacturer's literature will provide clues as to when the receiver was originally featured.

The requirements for selectivity and sensitivity will depend on the reception desired and the conditions under which the receiver will be operated. If you are primarily interested in local stations, selectivity and sensitivity are not important. If no local stations are available, sensitivity is a first consideration. To receive distant stations through the ether disturbances set up by local stations, the set must be both selective and sensitive.

Roughly, selectivity may be judged by the number of sections in the tuning condenser (the salesman at least can count these for you), and sensitivity by the number of tubes. However, different standards must be set for the tuned radio frequency (t-r-f) and the superheterodyne types of receivers. Unfortunately you cannot depend upon the salesman's knowledge or veracity in ascertaining the class into which the receiver falls. In deference to the popularity of the super, many salesmen will declare a perfectly good five tube t-r-f

receiver to be a superheterodyne (if the statement were true, the super could not possibly be a good receiver)! Highly selective and sensitive receivers are available in both systems. If a receiver is a super, the name-plate will generally state this fact, or at least indicate that it is licensed under the superheterodyne patents. A sensitive super should have at least seven tubes, and a good t-r-f receiver at least five—including the rectifier. To be sufficiently selective, the super should have at least four sections in the tuning condenser, and the t-r-f receiver at least three sections. Additional condenser sections mean greater selectivity; extra tubes mean greater sensitivity or greater power output (accompanied often with increased selectivity).

Following a satisfactory demonstration, have the specific set you are to buy produced in the original carton, and demonstrated with the tubes you are going to buy. If possible, select tubes recommended by Consumers' Research. If other tubes are purchased, inspect them carefully, while the set is being operated, for flicker and blue haze, rejecting such tubes as potentially defective. Manipulate the controls, and do not accept the receiver unless they move easily, with a smooth, free action, over the entire movement.

It is almost invariably possible to buy a receiver with a full credit guarantee for home trial, where the matter of selectivity and sensitivity can be more definitely settled. But a preliminary investigation along the lines outlined above will greatly enhance the probability of securing a wholly satisfactory receiver with the original purchase.

ZEH BOUCK.

Other Bureaus, too, Hear Voices

THE Bureau of Mines has analyzed 115,000 samples of coal to determine the heat producing qualities and ash content of coal from different mines and districts, but of course this information has not been issued in terms of relative price and quality, and sources of supply to help ultimate consumers purchase their winter coal supplies. City and state governments are able to obtain the information for use in public purchases, but *not* for the use of their citizens.

A dairy farmer and secretary of a board of education says of government agencies: "Tax supported institutions such as state departments, agricultural schools and the like are frequently so cautious in their remarks about widely advertised articles that one can draw only one conclusion, viz., either they don't know or are afraid to tell what they know." Why should they not be afraid? Did not the Secretary of the Treasury instruct the Bureau of the Public Health, which in radio talks had advised the population to eat less meat in the summer, that in future the special commercial interests of the meat packers were not to be jeopardized by incautious though correct pronouncements from a governmental agency, and is it not true that as a result of the howl from the packers, any such broadcast must be O.K.'d before release, not by a responsible technical officer of the federal service but by an administrative (and commercially-sensitive) officer of the Treasury Department? Such a man will know how trade associations and other business groups are likely to feel about any given matter dealt with by our federal food, bug, germ and radium-water experts. A government which, as the *Business Week* puts it, "knows how to present a statistic with its most attractive side ever toward the audience," knows also how to reserve *some* kinds of information for storage among the scenery, and not for public viewing.

Why Do We Burn So Much Gasoline?

THE American passenger car of 1932 is no better in regard to fuel mileage than was the American passenger car of 1922. This appears incredible, when one reads reams of advertisements which speak glibly of laboratories, proving grounds and what not. In order to discuss fuel mileage, some definite basis for comparison must be used—one cannot generalize about motor cars which weigh anywhere from 2,100 to 5,000 lbs up. There is, however, a very definite basis for comparison—"ton-miles per gallon"—which removes size and weight as factors. Ton-miles per gal are computed as the gross weight—car plus passengers, plus load—multiplied by miles traveled, per gal of fuel. Ton-miles per gal figures yield some interesting facts, the first being that practically every car built in this country today—and for a great many yesterdays—will deliver somewhere between twenty-two and twenty-eight ton-miles per gal of gasoline—not a very great difference in performance in different makes of cars when they are reduced to the same basis of gasoline used to transport a given total load the same distance. That, by itself, is not so bad, but what is of importance to the user or prospective purchaser of a passenger car is that of all gasoline-engined vehicles, the American passenger car has the poorest fuel economy.

Most passenger car users think of a motor truck—if they think of it at all—as a rather crude machine. Perhaps, from some viewpoints, the truck may be crude, but almost any sizable truck, in decent running order, will show upwards of forty ton-miles to the gal of fuel, and several years ago there was considerable mention in the technical periodicals of a test truck that was doing an even hundred consistently. This article is not, however, written to glorify the American truck—its purpose is to make a few things clear to the man who buys and drives—when his wife or children are not using it—an automobile for transportation, luxurious or utilitarian, in these United States in this Year of our Lord, the nineteen hundred and thirty-second, and of the depression, the third. The few things are these—first, why does his car need so much gasoline to go such a little distance; second, is there anything that he can do to his car to improve its fuel economy; third, could anybody do anything about it, if he wanted to?

Considering these points, let us assume the average car of the following characteristics: weight 3,000 lbs; capacity with comfort, four adults; maximum speed when in good condition, seventy mph; and delivering fourteen miles to the gal of fuel. An average person weighs about one hundred and fifty lbs. The car, then is doing:

$$\frac{3,000 + (150 \times 4)}{2,000} \times 14 = \frac{3,600}{2,000} \times 14 = 25.2 \text{ ton-miles per gal}$$

miles per gal which is again average. Test results show that it takes a shade less than nine hp to move a 3,000 lb car on the level, in still air, at the rate of thirty mph. If the fuel consumption is one gal for every fourteen miles, the engine is using $30 \div 14$, or 2.14 gal every hour. A gallon of gasoline weighs about seven lb, so the fuel consumption in lb per hour is $2.14 \times 7 = 15$ lbs. But the car needs only nine hp to move it. We can then say that the engine fuel consumption, figured on that nine hp, is $15 \div 9 = 1.67$ lb per hour per hp. Ordinary gasoline runs about 19,000 Btu per lb, and a horsepower hour is the equivalent of 2,545 Btu.

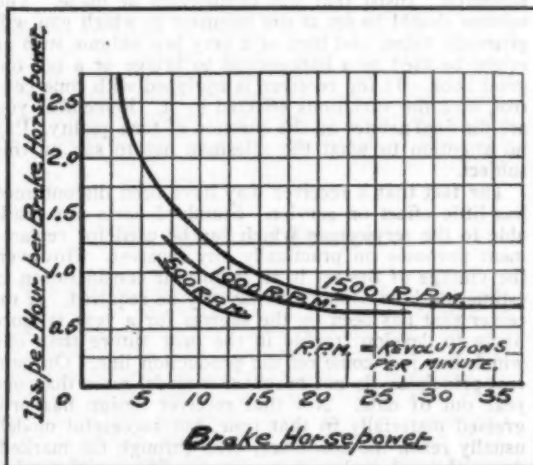
The efficiency of this average engine then is:

$$\frac{2,545}{19,000 \times 1.67} = \frac{2,545}{31,700} = 8\%$$

Which is distinctly not good. [And it said very definitely in the advertisement (your wife pointed it out to you *after* she decided that she liked (1) the paint-work; (2) the handles on the doors; (3) the salesman's smile——) that this car had a "high efficiency" engine.] How high is high? For a gasoline engine, twenty-five per cent and up. An average good engine, at full throttle, with the proper carburetor setting, will give a horsepower hour on 6/10 of one lb of fuel, or, in other words, the efficiency will be:

$$\frac{2,545}{0.6 \times 19,000} = \frac{2,545}{11,400} = 23\% \text{ which is not bad at all.}$$

What has happened to that other fifteen per cent? How about conditions of operation? Was the throttle wide open at 30 mph? It was not. Would it have made any difference in the fuel consumption? The accompanying diagram shows the relation between engine horsepower and fuel consumption (in lbs per brake hp per hour), when the throttle opening is varied and the engine speed held constant, as by a brake or dynamometer.



Fuel Consumption vs. Brake Horsepower
Constant Speed—Variable Throttle

Another test furnishes some pertinent data. A vacuum gauge on the inlet manifold of an average car at speeds of from twenty to forty mph read fourteen in. of mercury, vacuum. Is that important? It is, very. Fourteen in. of mercury is about seven lb per sq in. That means that every suction stroke of this average engine, the cylinders that were on their expansion (or "working") strokes were pulling the "suction" pistons down against a pressure of seven lb per sq in. It means that, under these conditions, the average engine at thirty mph is using up about three and a quarter hp just to "breathe." For the sake of argument, let us assume that this engine will give a horsepower hour on 6/10 of one lb of fuel. Figuring it backward, then, if the fuel consumption is fifteen lbs per hour, the output should be

$$15 \div 0.6 = 25 \text{ hp for an hour.}$$

The car takes 9; breathing takes $3\frac{3}{4}$; $9 + 3\frac{3}{4} = 12\frac{3}{4}$ which is not 25. What else used up these fifteen lb of fuel an hour? According to a report of the U. S. Bureau of Mines, an investigation of exhaust gas characteristics of many cars, there is from three to five per cent of carbon monoxide (CO) in the exhaust gas of the average car. Calculation shows that one per cent of CO means about four per cent less efficiency. And that means that, for an average car with four per cent monoxide in the exhaust, sixteen per cent of the available useful heat in the fuel has been wasted. Assuming that twenty-five hp is a reasonable return for fuel consumed at the rate of fifteen lb an hour, $25 \times 0.16 = 4$, which accounts for a little more. But again, totalling it up so far, $9 + 3\frac{3}{4} + 4 = 16\frac{3}{4}$, which leaves about $8\frac{1}{4}$ to account for. Eight and three-quarters hp, which is about what the car needs at thirty mph, is a very considerable discrepancy. It is accounted for in just one item—engine friction. Analysis of many tests shows that regardless of size or speed or load factor or use classification, a four-cycle single-acting trunk piston internal combustion engine uses up the equivalent of about seventeen lb mean effective pressure in overcoming internal friction and operating its auxiliaries. Of this internal friction, by far the greater part is that due to the piston and its rings, but it must not be forgotten that the generator, water pump and fan also require power for their operation. Applying this factor, then, to the engine under consideration, it will be seen that the power required from the cylinders to turn the engine over and operate its auxiliaries is equal to eight and one-half hp.

Summarizing these figures, the power distribution for an average car at thirty mph is as follows:

	HP
Useful work in propelling car	9.00
Charging and discharging cylinders ("breathing")	3.25
Wasted in exhaust gas (carbon monoxide)	4.00
Engine friction and auxiliaries	8.50
Total	24.75

Best results obtainable from engine at this rate of burning fuel—twenty-five hp. The difference between twenty-five and twenty-four and three-quarters is one per cent of a total based on an assumption, but an assumption that is only one per cent out of the way can be considered pretty good.

The results above indicate that the engine is using nearly one-third more power to get out of its own way than is required by the car. What can be done about it? With cars as they are being marketed at present, very little—the bulk of the losses is due to an overabundance of power which is required in order that the rarely, if ever, desired eighty mph and the "lightning acceleration" together with "any hill on high gear" of the advertising department can be justified. It is well to remember that the "friction horsepower" of any engine depends only upon its size and speed, and not on the amount of power it is developing at that speed. In connection with this, Automotive Industries states that the average hp of 1932 American cars is one hundred and one, this average including all models from the Austin to the Duesenberg. How is it that the British and Continental drivers get mileages so astounding to us? Because of the high taxation on engines of high hp, Europeans use engines just powerful enough to give a reasonable top speed on the level, and they shift gears without shame when they come to a real hill.

Incidentally, in view of the furore being raised about synchro-silent gear boxes and automatic clutches this year, it is rather amazing that engines are still of such a size as to nullify any advantage derived from easy gear shifting, by making gear shifting unnecessary. These devices are of no great help to a good driver who can handle a gear box properly—they should, however, be of some assistance to the novice who has never learned that driving—and particularly the use of gears—is an art. It being granted that in order to have quick acceleration in high gear under present conditions, it is essential that the engine have considerably more power than is necessary for normal road driving—which means a multiplicity of cylinders for smoothness of operation to be maintained, it still does not follow that a car with a smaller engine of quite possibly fewer cylinders (the minimum and maximum for comfortable all around driving would seem to be six) combined with a proper gear box and a so-called "fast" rear axle—and a good driver, cannot easily equal the performance of the over-powered job, and at considerably less fuel as well as general maintenance expense.

A great deal has been said about the benefits of high compression. So far as the efficiency at wide open throttle is concerned, compression is undoubtedly a factor; for part loads, the value tends to vary with the proportion of full load that the engine is developing, and practically the same basis of judgment applies to the value of a high-power engine.

The average carburetor today is a fairly accurate instrument, but the best carburetor, improperly adjusted, will be responsible for many motor ills, and much wasted gasoline. There are many devices on the market which are alleged to economize fuel. The saving grace of all of these is that inserted in the package is a set of instructions for carburetor adjustment. Since the average carburetor setting is considerably on the "rich" side, when a man buys one of these gadgets and becomes mileage conscious, he immediately adjusts his carburetor to conform to the instructions and an improvement almost invariably results. But since the gadget costs anywhere from three to ten dollars, the owner can rarely, if ever, be made to realize that a mere carburetor adjustment did the trick, rather than the hopefully purchased gadget. When automobiles are built with a view to low upkeep expense, we shall have less over-power and more and better gear shifting. Leaving car design as it is (and we might as well; we don't buy what we want anyhow, but what we are told we want) and paying careful attention to carburetor adjustment and driving may show a saving of from five to twenty per cent in fuel consumption. If it can be done at all, it can be done without "cure-alls" or quack remedies. Any further reduction in operating expense is a question of re-design, and the manufacturers are particularly touchy about having a mere driver, or even an owner, dare to tell them what he wants. They know what they want him to want, and he takes it and likes it.

FREDERICK H. DUTCHER,
Mechanical Engineer.

Report on the Electrolux Vacuum Cleaner

So many requests for information about *Electrolux* vacuum cleaner (Electrolux, Inc., New York City) were received after previous tests on seven other makes had been reported to subscribers, that an additional test following the same methods was made of the *Electrolux* cleaner. One other cleaner which had been included in the previous test was retested as a "control."

Findings indicated that results of this test were comparable with those of the earlier test and that the *Electrolux* cleaner should be given an A3 rating, its average performance on first and second runs on both high and low pile carpets placing it third in order of ability to pick up dirt—Hoover Model 725 having been first, Apex 54 and Montgomery Ward *Climax* (essentially the same machine as the Apex 54), second. The *Electrolux* was the least noisy of the eight machines tested for CR. The electrical performance of its insulation was judged to be satisfactory. Its price (\$77.50 less 10% for cash), however, is high in comparison to some other cleaners giving performance closely comparable. cr 32

Advertising Out

ONE trade magazine among the large number of American periodicals has come to a realization of the restrictive power of advertising over the freedom of the press. *The Purchasing Agent* (53 Park Place, New York City), which has been in existence for 17 years, has recently announced a new policy abolishing all advertising pages. It states as its reason: "No journal can be truly independent, critical and untrammelled so long as its existence depends primarily on the favor and good will of advertisers."

"No reputable journal hesitates for a moment on important issues, but there are innumerable borderline cases where expediency too often prevails over clear-cut editorial independence."

"Our purpose in abolishing advertising is to be free from the most remote or subconscious form of influence over editorial policies."

In making this drastic change in policy the magazine is changing its name to *Purchasing*, and raising its subscription price from \$2 to \$6 a year. Few persons, however, who subscribe to a magazine for information would question the desirability of paying \$4 more for data which can be considered truthful and competent in so far as the knowledge of an editorial staff permits, as compared with data influenced, even though only in borderline cases, by expediency. (And in most trade journals, you may take our word for it, it's not just borderline cases that are affected.)

Purchasing's explanation as follows is also a good statement of the reason CR has had for not accepting subsidies of any sort, in money or in services, from persons other than "genuine consumers": "In breaking away from publishing tradition, we merely affirm the principle that the reasonable cost of any service should be defrayed by those using the service."

Speakers Available

OWING to the fact that the staff has been under unrelenting pressure to carry on its regular work in the office, CR in the past has been forced to decline many requests of groups which have asked for speakers to talk about CR's work and purposes. We are fortunate now, however, in having available three excellent speakers: Mr. J. B. Matthews, executive secretary of the Fellowship of Reconciliation, Mrs. Irving M. Engel, housewife, of New York City, and Professor Milton Handler, Assistant Professor of Law, Columbia University (who will deal with the legal aspects of consumer protection). In so far as their other engagements permit, they will be glad to address interested groups. For this service no expense will be involved except for travel and other direct outlay in connection with talks which may be made.

Abstracts from and Comments on Federal Trade Commission News Releases

"BULOVA WATCH Co., New York, has been ordered by the Federal Trade Commission to discontinue certain unfair methods of competition. "Representing that its watches contain a designated number of jewels, such as 'Seventeen 17 Jewels,' 'Nineteen 19 Jewels' or 'Twenty-one 21 Jewels,' or any other specified number of jewels, is prohibited unless the watches contain the stated number of jewels, 'each and every one of which jewels serve a mechanical purpose as a frictional bearing.'"

"Bulova is also directed to stop asserting that its watches are 'adjusted' or 'adj.' so as to imply that they have been adjusted to heat, cold, isochronism and position, unless they have been actually so 'adjusted,' as the term is generally understood in the watch-making industry and by the purchasing public."

* * * * *

The Federal Trade Commission has lately received a heavy blow in its new work in regulating advertising through reversal by the courts of the Commission's order to the manufacturers of *Cutex* manicure preparations to cease and desist from the publication of advertisements "containing testimonials from socially or theatrically prominent individuals, for which testimonials the petitioner had paid substantial sums of money, without making any disclosure of the fact of such payment."

"During the course of its opinion, the Court said:

"There is no claim of misbranding, falsity or insufficiency in the statement labeling the product. * * * The quality of the petitioner's products is not brought into question; nor is there a charge that its products were inadequately labeled or so testified to, by testimonials, as to induce the public to purchase from it under practices of deception. The endorsements are said to be neither exaggerations nor untruthful. There is no claim of monopoly. * * * It is doubtful if the public is gullible enough to believe that such testimonials are given without compensation. But if they are paid for, providing they are truthful, no one is deceived. * * * Because a prominent person ventures an opinion without being requested to do so is no guaranty either of veracity or good judgment. If the testimonials involved here represent honest beliefs of the endorsers, there is no misrepresentation concerning the product, and no unfair competition is created. We have no right to presume that endorsers of commercial products falsify their statements because they have received compensation. There are no misrepresentations and the Commission was without jurisdiction."

The sentences which we have italicized should be read with Mr. Johnson's testimonial articles (recently mailed to our subscribers) in mind. The degree to which the qualification "providing they are truthful" is lived up to in advertising practices can be judged from the methods—may we term them just a bit shady?—described by Mr. Johnson, by which advertisers only too frequently secure such testimonials from prominent persons.

CR HAS just finished tests of nine brands of household ammonia. It perhaps sufficiently illustrates the present state of corporate ethics in America, that of the nine examined, the three weakest were those labeled either "extra strong" or "double strength," while the labels of the two best made no boast whatever as to quality.

ORDINARY BAR LAUNDRY SOAP

See Confidential Handbook, March 1939, Vol. VII, Part 1, col. 81, (35c) for condensed ratings of the following and other soaps.

Bar laundry soap is suitable for laundering flat pieces, white cottons, linens, etc. It is not recommended for silks, rayons, woollens, colored garments or delicate pieces, except as noted. None of the soaps given a B or C rating met government specifications for "ordinary laundry soap."

Brand	Manufacturer	Net Weight Found, oz. ¹	Purchase Price, cents	Price per Pound of Net Weight, cents	Price per Pound Anhydrous (dry) Soap, cents ²	Chemical Analysis							Conclusions and Ratings
						Matter Volatile at 105° C. % ³	Free Alkali, % ⁴	Matter Insoluble in Alcohol, % ⁵	Matter Insoluble in Water, % ⁶	Sodium Chloride, % ⁷	Other Constituents, %	Total Anhydrous (dry) Soap, %	
Kirkman's Borax Soap	Kirkman & Sons, Inc. (215 Water St., Brooklyn, N. Y.)	8.2	6	11.6	16.4	22.96	0.04	5.82	None	0.30	Rosin ⁸ 22.90 Borax, 0.25	70.88	Label not informative, as the borax content is too small to serve any useful purpose. Of all the soaps analyzed and recommended by CR this furnishes effective soap substance (water-free soap) at lowest cost per lb.; (not including soap with builder, of which Sweetheart Flakes (A. & P. stores) is cheapest (see General Bulletin, Vol. I, Part 2, p. 2), 20c). cr 31 A1
Ivory Soap	Procter & Gamble Company, (Gwynne Bldg., Cincinnati, Ohio)	5.0	7	22.3	28.4	20.26	0.02	0.54	None	0.79	—	78.39	Much purer than other soaps in this class but probably too expensive for the type of laundry work for which these soaps are ordinarily used. Safe on woollens and colors and on hands. The least expensive form of Ivory. cr 31 A3
Octagon Soap (Laundry Bar)	Colgate-Palmolive-Peet Co. (619 N. Michigan Ave., Chicago)	8.6	7	13.0	20.8	25.80	0.15	11.58	0.16	0.32	Rosin, 20.76	62.15	Rapidly soluble. cr 31 B2
Fels-Naphtha	Fels & Co., (73 St. & Woodland Ave., Philadelphia, Pa.)	9.4	6	10.3	17.5	30.38	0.08	10.66	4.10	0.13	Rosin, 19.55 Naphtha, 7.5	58.75	Dissolves well in tepid water. By the time this soap reaches the consumer the naphtha content, due to evaporation, may be too small to add essentially to its cleansing properties. cr 31 C1
P & G White Naphtha	Procter & Gamble Company	7.9	4	8.1	16.3	30.18	0.10	19.86	0.20	0.25	Naphtha, 1.0%	49.61	The 1% naphtha content, in our opinion, hardly warrants the naphtha label. cr 31 C1

Principal government specification limits: The sum of free alkali, total matter insoluble in alcohol, and sodium chloride, not less than 2%, nor more than 10%; free alkali not over 0.5%; matter insoluble in water not over 1.0%; volatile matter—mainly water—at 105°C, not over 36%; rosin, not over 25%.

The above table is an example of the price and chemical analysis upon which CR based the ratings of soap in the Confidential Handbooks, Vol. VI, Part 1 and Vol. VII, Part 1. We have similar analyses on the following:

Kind	No. of brands
Toilet soaps (including eight Castile soaps).....	50
Shaving creams, powders, sticks.....	42
Household and laundry soaps.....	30
Liquid soaps.....	26



General science, chemistry and household economics teachers may find these tables particularly valuable, since they illustrate clearly the bases on which all goods should so far as possible be rated, namely objective scientific data—not the casual observations of foreign doctors, movie stars, or even conscientious housewives. We feel that these detailed analyses are not of sufficient interest to the entire list of subscribers to warrant their issue as a regular bulletin, since the findings have appeared in condensed form in other Handbooks and bulletins (with the exception of the table of liquid soaps) but if enough are interested to pay 30c for a mimeographed leaflet of some sixteen pages, including charts like the above and a brief discussion of the meanings of the chemical ingredients, it will be prepared and mailed to all subscribers who send in the necessary remittance. Should an insufficient number order the bulletin, remittance will be refunded within three weeks.

¹ Net weight not shown on labels of any of these bar soaps.

² The true price rating of the soaps is given by these figures.

³ This shows the percentage of water present—the more water, the less soap.

⁴ Compare with government specification limits above. It is particularly important that no soap exceed this limit, as free alkali has a decided deteriorating effect on all animal fibres (silk, wool, animal hair) as well as on the hands.

⁵ These figures indicate the percentage of builder, such as soda ash, or washing soda, etc., commonly added for their water softening and detergent action.

⁶ This indicates the percentage of useless inert substance or residue, the result of poor control of the manufacturing process, or of the addition of a "make weight" or adulterant.

⁷ Sodium chloride serves a useful purpose in the manufacturing process (to separate out the soap after saponification), but it has no place in the finished product.

⁸ Rosin is a cheap material which saponifies readily to give a yellow soap. It should not be present in amounts greater than 25%.

Especially Worth Reading

The Public Pays: A Study of Power Propaganda. By Ernest Gruening. \$2.50. New York: The Vanguard Press, Inc., 1931. An exceedingly interesting, detailed, and accurate picture of the secret and subversive propaganda activities of what is commonly and rightly known as the "Power Trust." It is impossible to review this book adequately in a small space; it should be read by everyone paying bills for gas or electricity to a privately-owned central station company. Most amazing ingenuity, pertinacity, and effrontery were displayed by utility executives in pulling wool (all at consumers' expense¹) over the public's eyes with respect to the profits and policies in utility operation. The revelation of the energetic and never-ceasing activity to control editorial opinion of newspapers and magazines through publicity bureaus, discreet purchase of food, drink, and entertainment for editors, and judicious placement of paid advertising and of the ingenuity shown in attaching supposedly detached and disinterested professors of economics, engineering and business in leading universities, or of "padding" university faculties with utility executives² (Northwestern, Illinois, Ohio State, Tulane, Minnesota, Pennsylvania, Iowa, Colorado School of Mines, among many others), are well worth the price of the book. One division of the National Electric Light Association scheduled five university presidents among its speakers at one convention "to cement the bond of friendly relationship between utilities and the universities." Extra cement was added by wise expenditure of small sums of money in fees to professors and deans for "editorial" work, consulting services (some of the services purely imaginary or never called for), and generous allowances of funds for travel, attendance at meetings, etc.

The utilities' picture of the newspaper press and the way in which the friendship of editors was capitalized to develop an apparently spontaneous opposition to the wicked and "communistic" advocates of public ownership is nicely summed up in a letter of the Missouri publicity agent of a power trust association: "what the country press is worth to people who are honest and use it honestly is beyond calculation. I have spent as much as \$300 in three years 'entertaining' editors, etc. Some of them do enjoy a little drink. All of them are 'God's fools,' grateful for the smallest and most insignificant service or courtesy. . . ."

The Ancient Maxim Caveat Emptor. Walton H. Hamilton (professor in Yale University School of Law), printed in *Yale Law Journal*, June, 1931, Vol. XL, No. 8. This is a paper which every student of consumption and consumption economics problems should read, preferably several times. It traces with rare scholarship combining economic insight and broad knowledge of the philosophy of the law, the development of the doctrine of *caveat emptor* as an expression by the courts of the going customs and morals of the business community.

It is clear that in olden times the prevention of fraudulent dealings by a merchant was for the protection not only of the buyer, but of the commonalty. Deceit was regarded as against the repute and honor of the craft, the fair name of the worshipful Towne, Godys

Commandement and holy Chyrche, all Goode Rewell and Conscience, and especially against the good people, and trial was in the name of the Commonalty. The spirit of the time, concerned to devote the authority of state and religion to what was held to be the good of all, "had no reputable place for a notion of *caveat emptor*."

Away from this concept of the government as a guarantor of fair dealing, there came to be by a strange growth, a new type of law of trade based upon the ethics of the least honorable and responsible sellers in the market. "It took time and the bitterness of experience to subdue the idea into compact language; but here it came to be understood that one's unconsidered bargain was his own tough luck." The wisdom of *caveat emptor*, says Hamilton, "seems to be the after-thought of the good man who has bargained, perhaps in a horse trade, once too often; the manner suggests the lawyer regretfully stating that the grievance seems to be without redress." Thus *caveat emptor* emerges "from the folk-thought of the despised trades" and stands "without shame before judges as an ancient maxim of the common law."

As nice a point as any which Hamilton makes is that which shows the positive and permanent shift of government from a position of protecting the unwise or uninstructed buyer, to a place of assistance to the shady merchant in the gulling of the gullible. While as a buyer the national government takes wise precautions by testing of rival products and extensive measurement and experimentation, "it refuses to furnish to its own citizens the results of its researches. Its devotion to *caveat emptor* has led it to help sellers to discover a pragmatic basis for the vendible qualities of their wares. A leaflet from the Department of Commerce informs the trade that in Belgium the chauffeur, through whose agency most automobile tires are bought, 'is not so much interested in the quality as he is in the rebate which he is to receive from the dealers,' and that, accordingly, he is 'not particularly attracted by tires whose long-wearing qualities make purchases too infrequent.' Another tract, emanating from the same source, conveys to whom it may concern the information that the Chinese buy patent medicines 'according to trade-mark' rather than by 'their healing qualities,' and that in India 'the stronger the claims and apparent action of the product the more it is appreciated.'"

Whereas the ancient English public authorities sought to guard the very access of the shoddy trades through the gates of the market and so to forbid the entrance of unworthy goods, government in the United States, representing the modern state, swings to an opposite tactic and teaches studious merchants "how to subordinate goodness in their wares, to vendibility." Indeed, it was in America, as Hamilton explains, that the real triumph of *caveat emptor*, originally developed as a legal principle reflecting the practices of an inferior and somewhat shady mercantile class, lacking the instincts of craftsmanship and sound construction, occurred and the doctrine took its largest growth. Three practical illustrations of the work of *caveat emptor* in American law have their value as warnings to ultimate consumers, of what they may not expect in the way of protection from the state, or of honest dealing with a manufacturer or merchant:

A letter "to confirm" the sale of "No. 3 and No. 2 wheat" was held by the court to be *not a legal assurance that the grain was of the specified grade when the buyer had had his opportunity to inspect*. A sample, which was good and as a result of which a sale of eggs was effected, did not relieve the buyer from the obligation to pay a full price for the *moldy* eggs which were actually delivered. A case involving a radio set which gave unsatisfactory results, although high claims were

¹ "Don't be afraid of the expense. The public pays the expenses," said M. H. Aylesworth, former Managing Director of the National Electric Light Association, on this very point.

² "We now have 24 public-utility executives as members of the University [of Colorado] faculty." From a utility press agent to John C. Parker, National Chairman of the Committee on Cooperation with Educational Institutions, and now President of the Brooklyn Edison Co.

made for it, was decided against the buyer on the assumption that he was expected to know that the claims made were impossible in the current state of electrical technology. Consumers, saith the law, itself ignorant of such matters, had better know their theory of transient currents, and the principle of transfer of energy through co-axial coils! Most important of all is the principle one needs to have in mind every time an advertisement is read or a radio sales talk is listened to: "The display of advertising is rather a general invitation to trade than a proffer of specific merchandises. . . . Business is business and law is law, but neither insures quality to the book, long life to the garment, style to the furniture, or durability to the automobile . . . the rational customs of modern merchants are bottomed in utility only so far as vendibility decrees . . . in plain speech and at law, a refined *caveat emptor* still means that purchase is a game of chance."

Hark! Hark! The Turncoats

[AN OPEN LETTER TO THE ASSOCIATION OF
NATIONAL ADVERTISERS]

(Reprinted by permission from the *NEW YORKER* of
December 5, 1931. Our apologies to those who may
have seen it before.)

GENTLEMEN:

THIS morning's paper says you are getting behind a nationwide campaign to abolish fear. If that is the case, you are a bunch of old turncoats. Who started the idea of American fear, anyway, if it wasn't you? Who frightened me into thinking I had bad breath? Who scared me into supposing I was intestinally sick, almost dead? Who made me feel socially inferior? Who roused in me the fear that I was perspiring at a dance? Who kept telling me my flat silver wasn't of the correct design, and that my automobile would skid into another car at any minute, and that my throat was being burned by smoking the wrong brand of cigarettes, and that my gums were receding into my poor, thick head? Gentlemen, I am asking!

It has taken you years to build up in me my fears; you mustn't flatter yourselves that you can break them down overnight—my fears aren't so easily abolished, they are made of sterner stuff. I am not just a tiny bit frightened, I am scared stiff. So you see you have made your bed, and now you'll have to lie in it, gentlemen. And if you roll and toss all night long, that's all right with me.

It is part of your plan, I see by the paper, to restore "normal spending habits." Gentlemen, I am laughing. You have no notion of what my normal spending habits are, and what's more I don't believe you want to know. If you knew, it would scare you. You don't want to restore my normal spending habits, you want to restore your conception of my normal spending habits. In other words, you want to abolish my fears temporarily, until you can get round to selling me another mother-of-pearl garbage can for my kitchen. Well, my hearties, I'm scared and I'm staying scared!

Strangely enough, gentlemen, in the pleasant rigor of the past two or three years, I have had an opportunity to orient myself to what are called hard times, and to examine the standards of living to which people have been subjected by reason of their financial inability to respond to certain kinds of advertising. I have found a stimulus in this new and solemn condition, and I have had a little time for quiet thinking because instead of being out buying something every minute I was home indulging in the more monastic pleasures of the non-purchaser. Gentlemen, it was great. In this state of tranquillity, too, I formed friendships with

some of the most thoroughly frightened consumers in America—people who had been reduced, through the golden age of buying, to a condition of sanitary misery, or shall I say dismal elegance? These people (some of the nicest folks in the world, at heart) feel exactly the way I do about abolishing fear: they are perfectly willing to have it abolished, but they don't want any advertising men doing it. They feel you aren't the type.

Gentlemen, this has turned into quite a long letter, but I regard you as the daddies of American timidity, and I thought I had better warn you not to try to abolish any fears of mine. I know, from reading your stuff, just how unfortunate, dumb, bleak, and sick I am. My spirit, gentlemen, is broken.—E. B. W.

WE ARE glad to be able to announce finally that the long delayed tests of electric refrigerators are under way. Because of the unwillingness of some of the largest manufacturers to cooperate with CR when, over a year ago, the project was first considered, most of the appliances which are being tested had to be purchased, instead of being obtained on loan. The two notable exceptions to what appeared to be almost a concerted policy directed against our testing mechanical refrigerators were the mail order houses, Montgomery Ward and Sears Roebuck, whose products are usually cheaper than comparable brands sold under well-known and heavily advertised names.

During the first few weeks of the testing, the five *Trukold* refrigerators (distributed by Montgomery Ward) which had been selected at random from warehouse stock, ran almost continuously, using over twice the amount of electricity required by the other makes. This was a greater difference than could be explained by their larger size—the *Trukolds* were of seven cu ft capacity, the other makes of four to four-and-one-half cu ft—especially since, in addition, they failed to maintain interior temperatures as low as is desirable. In an effort to be entirely fair to the firm, the laboratory advised CR to ask Montgomery Ward whether there was any reasonable explanation of the occurrence. The manager of the company's local refrigerator division, who visited the laboratory to examine the refrigerators as they were installed, stated that the poor performance of the five machines was caused by an insufficient amount of refrigerant.

Montgomery Ward informed us that the models we were using in the test had become obsolete, this within a period of a month and a half since the delivery of the refrigerators to the testing laboratories. Montgomery Ward offered to replace the obsolete appliances with their new model, which they claimed had a proper seal to prevent such gas leakage, and which, they averred, had been ordered in a sufficiently large quantity to assure the continuance of that model for at least one year. We hope they are right on both heads.

Although information on other makes is still merely preliminary (comparative results will not be available for six months or longer), we can announce that the other mail-order house refrigerator—Sears Roebuck's *Coldspot*—is reported—very preliminarily—to compare very favorably with the standard higher-priced products.

PEOPLE who are not yet persuaded by the din of radio and the force of print that they must use a mouthwash nowadays to complete their toilet will appreciate these words from a dentist subscriber:

"If nature had intended that our mouths should be washed by more than her own antiseptic mouthwash, saliva, she would have hooked up Listerine glands, or something of the sort, in our salivary system . . . etc."

Signs and Portents

WE ARE glad to report that *Harper's Magazine* has reversed its decision on our advertising, and will carry a CR advertisement in its October issue.

"As OUR LIFE is now organized, it is extremely difficult for the values of civilization to find expression or to survive, except as they can be organized, standardized, and sold to the crowd. Hence the predominance everywhere of the salesman type of man. Now I strongly suspect that the mess the world is in at the present time is largely the result of the precedence of the salesman over the man of thought. A world dominated by sales mentality must necessarily be cheap and tawdry, negligent of finer values and remote ends. It must proceed by pandering to the mob, it must be led by men of second-rate minds. . . .

"In a world of advertising and salesmanship the technique of saying and doing things for effect is so important, and the financial reward for manipulating the public by appealing to its vanity is so great, that our people have developed the fixed habit of systematic and persistent self-deception. He who knowingly deceives others is dishonest. He who deceives himself is insincere." From "What I Believe," by Everett Dean Martin, the *Nation*, Oct. 21, 1931.

"Economic planning threatens advertising, threatens our whole business structure in fact."—Note in Advertising & Selling, October 14, 1931.

It seems more than likely that economic planning does threaten advertising and our general business structure, because, if it is to have any chance to succeed, planning will of a surety require organization of powerful forces for the negation of the sales-manipulated pandering to the mob, leadership of second-rate minds, manipulation of public taste by appeal to its vanity, and the fixation of the habits of persistent self-deception—described in the quotation from Everett Dean Martin in the foregoing note, as basic values of our present business-dominated civilization.

WE REGRET that the unwillingness of manufacturers to submit machines for test, delayed so long the beginning of the tests on mechanical refrigerators about which a subscriber writes as follows:

"When may we expect your report on mechanical refrigerators?"

"We have had placed in our house a—, manufactured by [a leading mail order house] under the conditions that if it does not receive the highest rating in your report, it will be returned. This is a signed agreement by both parties.

"Hence, we are very anxious for your report, inasmuch as it was at least 30 days ago that they installed the refrigerator."

Apparently even buying by brand name has its hazards, as a manufacturer of radio sets inadvertently pointed out in a letter to CR regarding tests of his product:

"As a representative of—Radio Corporation in the metropolitan area we are naturally interested

in seeing that any tests run on our merchandise are fair, and based upon standard factory output rather than some possibly misused piece of merchandise obtained from a dealer." [Italics ours, Editors.]

MANY WHO read the story of the pain and suffering caused by the poisonous depilatory, *Koremlu*, briefly touched on in this bulletin, must have wondered why there was no governmental control of such dangerous preparations. There has, in fact, been steady and powerful opposition to any attempts to secure the necessary legislation to correct present abuses. The following excerpt from an issue of the official publication of the New Hampshire State Board of Health illuminates this point: "The fact that some newspapers are opposed to regulation [of toilet preparations] is not generally known to the public. A cogent reason for this is to be found in a clause contained in the form of advertising contract as used by the proprietary interests and which every newspaper management must sign and agree to abide by as a condition of securing this very profitable form of advertising. This clause reads: 'Should there be any rulings or laws enacted whereby, in our opinion, the advertiser cannot profitably advertise or sell their product, we reserve the right to cancel this contract.' One does not have to search any deeper than this to understand the almost insurmountable opposition by which any attempts along these lines are apt to be greeted in the public prints."

AN ENGINEER writes us that there are devious ways in which commercial influence sometimes achieves its ends and that no consumer habit can be so remote from the ostensible use of a product as to be without a bearing on its sale.

"I have been informed by the local agent that it was through the efforts of his company [manufacturer of a ventilating unit] that the 'bath a day' movement was started in many public schools, not, as one might think, for the main purpose of improving health, but in order to cut down odors which have proven a barrier to the use of [a certain type of] unit, instead of the central unit which exhausts air and washes that portion which is recirculated."

THE WHOLLY disproportionate spread between the manufacturer's selling price and the retail cost to the consumer is well instanced by the following experience from a former subscriber:

"An acquaintance of mine, driving a friend's car, accidentally smashed a fender. It was an elaborate car in the high price range. He took it to a garage and asked for an estimate on repairs. He was told that the labor charge could only be roughly approximated, but that the price of the new fender itself would be forty-five dollars. He happened to know the president of the corporation manufacturing the fenders and, meeting him the same day, told him that he understood clearly now why he was so wealthy, and explained his predicament. The manufacturer replied, 'Come on over to the factory and I'll give you a fender. We sell them for fifty-seven cents and make all the profit that we need.'"

